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Albania

Bio-Fuels

Italy to Build \$1.3 Billion Biomass Plant in Albania 2009

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Report Highlights: Italian Government sources report that an Italian company, Marseglia Group, just signed a \$1.3 billion project with the Albanian government to build a biomass energy park in northern Albania. The plan is to build a 140-megawatt liquid biomass energy plant derived largely from agricultural by products and waste and two 234-megawatt wind farms that will also provide an undersea power link between Italy and Albania. Biomass energy could be important in Albania's future.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Rome [IT1]
[AL]

Italy & Albania

Italian Government sources report that an Italian company, Marseglia Group, just signed a \$1.3 billion project with the Albanian government to build a biomass energy park in northern Albania. The plan is to build a 140-megawatt liquid biomass energy plant and two 234-megawatt wind farms that will also provide an undersea power link between Italy and Albania and convertor substations in the Lezha district, 60 miles (100 kilometers) north of capital Tirana. While the contract was just signed this week, no date has yet been set for the construction to start. The electricity generated in Albania will be sold to the Italian market. Sources report that the plant is expected to help ease the country's acute energy problems and provide power to the international market.

In December 2008 Albania signed two other major energy contracts worth \$2.5 billion with Italian companies for the construction of a wind farm and a gas-powered electricity plant. Italian PM Berlusconi recently travelled to Albania to meet with his counterpart Sali Berisha and secure the deals for Italian companies. Historically Italy and Albania have always maintained good relations, and Berlusconi was recently quoted as supporting Albania's entry into the EU.

Electricity Generation in Albania

Electricity generation in Albania is dominated by large hydroelectric facilities, contributing to over 85 percent of total electric capacity. In general, renewable energy data for Albania is very limited, and the Government has not offered many regulatory incentives for the development of renewable energy projects. However, the signing of the recent contract with the Marseglia Group is seen as most promising and while interest in biomass renewable energy projects seems rather low at this moment there is hope for the future.

Biomass energy could be important in Albania's future, consisting of the following four main resources: Urban wastes, agricultural residues, forest residues, and animal wastes.

Albania Country Summary Table 2008

Demographical Information	
Population, millions	3.6
Land area, (000 Ha)	2,875
Macroeconomic Information	
GDP, billion US\$	23.07
Real GDP growth rate (percent)	6
Unemployment rate (percent)	12.5
Exports	\$1.416 billion
Imports	\$4.844 billion
Sources: European Bank for Reconstruction and Development, U.S. Energy Information Administration, Food and Agriculture Organization of the United Nations, CIA Factbook.	

Albania Biomass Resource Data

<i>Biomass resource type</i>	<i>Total production</i>	<i>Production density</i>
<i>Percent of total land area covered by</i>	<i>percent</i>	
Forests	10	
Shrub lands, savanna, and grasslands	5	
Cropland and crop/natural vegetation mosaic	81	
Urban and built-up areas	0	
Sparse or barren vegetation; snow and ice	0	
Wetlands and water bodies	3	
<i>Primary crop production, tons</i>	<i>tons</i>	<i>tons per 000 Ha</i>
Total primary crops	3,930,424	1,434
Top 10 primary crops		
Alfalfa for Forage & Silage	1,800,000	657
Maize for Forage & Silage	483,333	176
Wheat	310,667	113
Vegetables Fresh	250,000	91
Watermelons	233,333	85
Maize	212,000	77
Potatoes	173,967	63
Tomatoes	161,333	59
Grapes	73,467	27
Sugar Beets		17
	46,633	
<i>Animal units, number</i>		<i>000 Ha</i>
Cattle	720,000	263
Poultry	4,000,000	1,460
Pigs	81,000	30
Equivalent animal units	792,400	289
<i>Annual round wood production</i>	<i>98, 000 metric tons</i>	<i>Metric Ha</i>
Total	409	149.3
Fuel	346	126.3
Industrial	64	23.4
Wood-based panels	16	5.8
	<i>98,000 metric tons</i>	<i>Metric tons per Ha</i>
Paper and paperboard	16	5.8
Recovered paper	NA	NA

Source: Renewable Energy Resource Initiative

Even though Albania is not yet part of the EU, the EU Energy Efficiency Center has funded through the years several projects in Albania. The latest involving biomass production was in 2006.

Dates: Jan. 06-Dec. 06

Funding: \$30,000 funding

Project Title: "Acceleration of the Cost-Competitive Biomass Use for Energy Purposes in the Western Balkan Countries." This project was financed by the EU, and key objectives were to contribute to sustainable energy development in the Western Balkan Countries through development of cost competitive and environmentally friendly solutions for small and medium scale biomass fuels production, distribution and use in the residential sector.

Main activities:

1. Review of the Residential Heating and Heat Consumption
2. Assessment of the Opportunities for the Production of Wood Chips, Bio-Briquettes and Pellets
3. Identification of the Optimal Combustion Technologies
4. Analysis of the Impact of the Expanded Use of Biomass Fuels
5. Identification of Opportunities to Encourage the Energy Utilization of Biomass
6. Dissemination of the Conclusions and Recommendations among the Policy Makers, Regulatory Authorities, Stakeholders, NGO and Investment Community